



207 Waiver

Title

Legal Description / Ads

Policy or Appeals

Correspondence Between Legal & Staff

Letter of Authorization



DECLARATION OF
CONFLICT OF INTEREST OR PERSONAL INTEREST

NAME: JOE YOUNG

PUBLIC BODY: IRB

DATE OF PUBLIC MEETING: 06/20/19 AGENDA ITEM NO.: 6

DESCRIPTION OF ITEM: T-2N-2015 #2

MARQUEE

☐ I declare that I have a "substantial interest" in the above-referenced decision or matter, as provided in A.R.S. § 38-501 et seq., and, therefore, declare that I have a conflict of interest in the decision or matter.

Describe the substantial interest held by you or your relative(s) referred to above:

☒ I don't believe that I have a substantial interest in the above-referenced decision or matter and, therefore, do not have a conflict of interest as provided by Arizona law, but I believe that my active participation in the above-referenced decision or matter might raise the perception of undue influence or impropriety.

Explain: APPLICANT IS A CLIENT OF MINE

WITH TWO ACTIVE PROJECTS IN SCOTTSDALE

To avoid a conflict of interest or the perception of undue influence or impropriety, as indicated above, I will refrain from participating in any manner in the decision(s) or matter(s) identified above.

[Signature]
Signature

06/20/19
Date Signed

PLEASE NOTE: Completion and filing of this form with the City Clerk's Office is not, by itself, sufficient for a public officer to meet the requirements of the Conflict of Interest law and Code of Ethical Behavior (S.R.C. § 2-47 et seq.). To complete the requirements the public officer must state publicly at the meeting of the public body that he or she has a conflict of interest, or that participation might raise the perception of undue influence or impropriety; then recuse himself or herself, and leave the room while the matter is being discussed and acted upon by others on the public body.

A copy of this form will be filed as a supplement to the public officer's Personal Interest Disclosure form.

MARQUEE
LEGISLATIVE DRAFT OF
DEVELOPMENT STANDARDS

Sec. 5.3004. Use regulations.

ALL USES ALLOWED IN THE PBD DISTRICT

Sec. 5.3006. Property development standards.

B. Density, Gross Floor Area Ratio (GFAR), and Building Height Maximum.

1. Density and GFAR maximum are shown in Table 5.3006.B.
2. The building height maximum is shown in Table 5.3006.B., except as provided in Subsection 5.3006.B.3.
3. The additional height regulations of Article VII. shall not apply.

Table 5.3006.B. Density, Gross Floor Area Ratio (GFAR), and Building Height Maximums				
Development Type	Building Height Maximum ⁽¹⁾	GFAR Maximum without Bonus(es)	GFAR Maximum with Bonus(es) ⁽²⁾	Density Maximum (per acre of gross lot area)
Type 3	84 feet 150'-0"	1.3	2.0	50 dwelling units
Notes: 1. Inclusive of all roof top appurtenances. MEASURED FROM DATUM LINE AT 1'-0" ABOVE THE AVERAGE TOP OF CURB ELEVATION EXCLUDES ROOFTOP APPURTENANCES. A. MAXIMUM HEIGHT FOR ROOFTOP APPURTENANCES: 6 FEET. B. MAXIMUM COVERAGE FOR ROOFTOP APPURTENANCES: 20% OF THE ROOFTOP. C. MINIMUM SETBACK FOR ROOFTOP APPURTENANCES: 15 FEET FROM ALL SIDES OF THE BUILDING 2. See Table 5.3008.B.				

C. Setbacks from public streets, except alleys.

1. The minimum setback from public streets (except alleys) is shown in Table 5.3006.C. The setback is measured from the back of curb.

Table 5.3006.C. Minimum Setback for Buildings Adjacent to Public Streets, except alleys	
Street	Minimum Building

Above the 1st floor
16'-9".
At grade - 37'-9"

	Setback
North Scottsdale Road in Type 3 Area	40 16 feet 9 INCHES
ALL OTHER PUBLIC STREETS AND PUBLIC STREET SEGMENTS IN THE TYPE 3 AREA	13 feet 6 INCHES
Note: See the Downtown Plan Urban Design & Architectural Guidelines for locations of the public streets and setbacks above.	

Not Applicable

2. The adjustment of front yard requirements in Article VII. does not apply.

D. Setbacks from major intersections.

1. On each corner of an intersection designated as an Old Town Major Intersection in the Downtown Plan, the property owner shall provide at least 2,500 square feet of open space at grade and up to a height of 30 feet. The open space shall be located within 70 feet of the intersection of the property lines at the corner. Those major intersections include:
 - a. East Camelback Road and North Goldwater Boulevard.
 - b. East Camelback Road and North Scottsdale Road
 - c. East Indian School Road and North Goldwater Boulevard.
 - d. East Indian School Road and North Drinkwater Boulevard.
 - e. East Second Street and North Goldwater Boulevard.
 - f. East Second Street and North Drinkwater Boulevard.

E. Setbacks from Single-family Residential districts shown on Table 4.100.A., or the portion of a Planned Community (P-C) with an underlying zoning district comparable to the single-family residential districts shown on Table 4.100.A., or any Planned Residential Development (PRD) District.

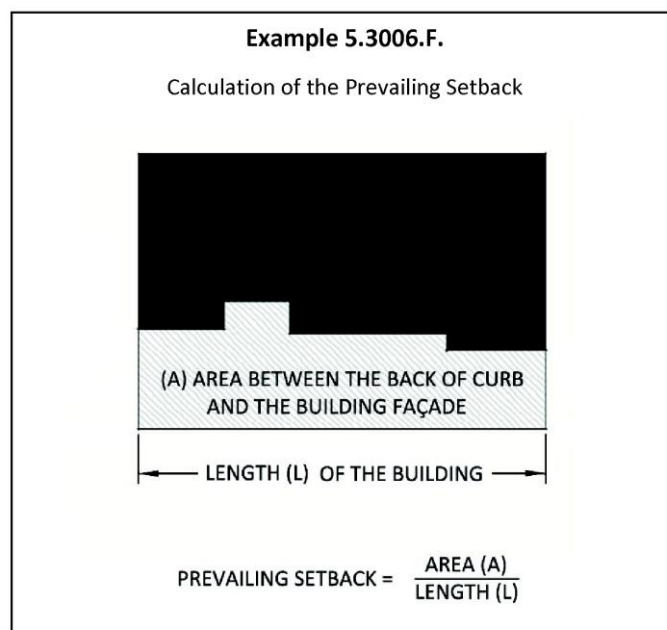
1. The minimum setback is:
 - a. Ten feet from a single-family residential district shown on Table 4.100.A., or the portion of a Planned Community (P-C) with an underlying zoning district comparable to the single-family residential districts shown on Table 4.100.A., or any Planned Residential Development (PRD) District.
 - b. Ten feet from an alley that abuts a property zoned with a single-family residential district shown on Table 4.100.A., or the portion of a Planned Community (P-C) with an underlying zoning district comparable to the single-family residential districts shown on Table 4.100.A., or any Planned Residential Development (PRD) District, measured from the center of the alley.
 - c. Exception. The setback from a single-family residential district shown on Table 4.100.A., or the portion of a Planned Community (P-C) with an underlying zoning district comparable to the single-family residential districts shown on Table 4.100.A., or any Planned Residential Development (PRD) District, shall not apply to properties abutting the Arizona Canal.
2. Walls and fences up to a height of eight (8) feet are allowed on the property line, or within the required setback above, if the wall or fence is at least ten (10) feet from the center of an alley.

F. Building location.

1. A building adjacent to a public street (except alleys) shall be located as follows:
 - b. In a Type 2 Area, a Type 2.5 Area or a Type 3 Area, at least twenty-five (25) percent of the:
 - i. ~~Length of the building façade shall be located at the minimum setback;~~
 - ii. Length of a building façade at grade and up to a height of ~~thirty (30)~~ **TWELVE (12)** feet shall be set back at least ten (10) additional feet; **COLUMNS AND CANOPIES ARE EXCLUDED AND MAY BE LOCATED WITHIN THIS ADDITIONAL SETBACK** and
 - iii. ~~Area of the building façade at grade and up to a height of thirty (30) feet shall be located at the minimum setback.~~
2. In a Type 2 Area, a Type 2.5 Area, or a Type 3 Area, a building with a building façade length of two hundred (200) feet or more shall be located to achieve a prevailing setback **AT GRADE** shown in Table 5.3006.F. The building façades on a corner lot are calculated separately, and not added together.

Table 5.3006.F. Prevailing Setbacks for Buildings Adjacent to a Public Street (except alleys)	
Street	Prevailing Setback
All other public street and public street segments	Between 20 5 and 35 Feet AT GRADE

3. The prevailing setback is equal to the area between the back of curb and the building façade, divided by the length of the building, as shown in Example 5.3006.F.



G. Private outdoor living space.

1. All dwelling units shall include private outdoor living space located beside the dwelling unit.

2. Each private outdoor living space shall be at least six (6) feet deep and sixty (60) square feet in area.

H. *Stepbacks.*

4. Property in a Type 3 Area not described above: ~~The stepback plane shall incline at a ratio of 2:1, beginning forty-five (45) feet above (i) the minimum setback from the public street (except alleys), and (ii) all other property lines.~~ **ADJACENT TO A MAJOR ARTERIAL, PORTIONS OF BUILDINGS THAT ARE GREATER THAN 55 FEET IN HEIGHT MUST PROVIDE A MINIMUM 15-FOOT STEPBACK FOR A MINIMUM OF THAT PORTION OF THE BUILDING. PORTIONS OF THE ER THAN 75 FEET IN HEIGHT MUST PROVIDE A MINIMUM 8- FOR A MINIMUM 50 PERCENT OF THAT PORTION OF THE**

I don't think any of these exceptions are needed. If they are in these ADS, then these would be exceptions to the ADS, not exceptions to the original standard.

at the intersection of the stepback planes, the more gradual slope controls.

I. *Exceptions to building location, setback, prevailing setback and stepback standards.*

1. As outlined in Subsection 5.3006.I.2 through 5.3006.I.4 below, and except as provided in Subsection 5.3006.I.9. below, certain exceptions to building location, setback and stepback standards are allowed if the Development Review Board finds the exceptions conform to:
 - a. The Downtown Plan and Downtown Plan Urban Design & Architectural Guidelines; and
 - b. The sight distance requirements of the Design Standards and Policy Manual.
2. Subject to design approval by the Development Review Board, the following exceptions to building location, setback and stepback standards are allowed:
 - a. A maximum of five (5) feet for cornices, eaves, parapets and fireplaces.
 - b. A maximum of ~~seven (7)~~ **TWELVE (12)** feet for canopies and other covers over sidewalks, balconies and terraces.
 - c. Balcony walls and railings with a maximum inside height of forty-five (45) inches.
 - d. Uncovered balconies, uncovered terraces and patios at and below grade.
 - e. Covered sidewalks and uncovered terraces directly above a sidewalk.
3. Subject to design approval by the Development Review Board, in a Type 2 Area, a Type 2.5 Area, or a Type 3 Area, a maximum fifteen (15) feet exception to stepback and setback standards above the first floor (not specified in I.2. above), is allowed for projections that:
 - a. Are less than fifty (50) percent of the length of the segment of the building façade where the projections occur; and
 - b. Are less than thirty-three (33) percent of the surface area of the segment of the building façade where the projections occur.
4. Subject to design approval by the Development Review Board, an exception to the stepback standard is allowed for stairwells and elevator shafts.
5. The minimum setback from public streets (except alleys) shall be equal to the average prevailing setback of all buildings on the same frontage if forty (40) percent or more of

the existing buildings on the frontage are closer to the curb than the requirement of Table 5.3006.C.

6. The prevailing setback of a building with a building façade length of two hundred (200) feet or more shall be between five (5) feet and fifteen (15) feet greater than the average of the prevailing setbacks of all existing buildings on the same frontage, if forty (40) percent or more of the existing buildings on the frontage are nearer the curb than the requirement in Table 5.3006.F.
7. The minimum setback from public street (except alleys) shall be equal to the average prevailing setback of all buildings on the same frontage, but in a Type 2 Area, a Type 2.5 Area, or a Type 3 Area, not less than sixteen (16) feet.
8. The prevailing setback of a building with a building façade length of two hundred (200) feet or more shall be between five (5) feet and fifteen (15) feet greater than the minimum setback.
9. Exceptions to setback or stepback standards are not allowed:
 - a. To cross a property line; however, exceptions that encroach into the public street may be allowed, subject to the Scottsdale Revised Code.
 - b. On the side or rear, where the property line abuts a single-family residential district or an alley that abuts a single-family residential district shown on Table 4.100.A., or that portion of a Planned Community (P-C) with an underlying zoning district comparable to the single-family residential districts shown on Table 4.100.A., or any Planned Residential Development (PRD) District; however, a maximum five (5) feet exception to the stepback standard is allowed for stairwells, and elevator shafts, mechanical equipment and related screening, chimneys, parapets, and ridges of sloped roofs. This requirement does not apply to properties abutting the Arizona Canal.
 - c. To increase the building height maximum.
10. Where the building location requirements in Subsection 5.3006.F.1. above can not be met due to the location of the street line, the following shall apply:
 - a. In a Type 1 Area, at least fifty (50) percent of the:
 - i. Length of the building façade shall be located at the street line; and
 - ii. Area of the building façade at grade and up to a height of thirty (30) feet shall be located at the minimum setback.
 - b. In a Type 2 Area, a Type 2.5 Area, or a Type 3 Area, at least twenty-five (25) percent of the:
 - i. Length of the building façade shall be shall be located at the street line;
 - ii. Length of a building façade at grade and up to a height of thirty (30) feet shall be set back at least ten (10) additional feet; and
 - iii. Area of the building façade at grade and up to a height of thirty (30) feet shall be located at the minimum setback.

J. *Shaded sidewalks.*

1. The property owner shall provide shaded sidewalks that conform to the Downtown Plan Urban Design & Architectural Guidelines, subject to Development Review Board approval.

K. *Signs.*

1. The provisions of Article VIII. shall apply.

L. *Off-street parking.*

1. The provisions of Article IX. shall apply, except as provided below.
2. Vehicle parking is prohibited in the required setback specified in Table 5.3006.C.
3. The underground portion of a parking structure may be built to the property line.
4. A development with dwelling units that is required to provide:
 - a. Fifty (50) to two hundred (200) parking spaces for the dwelling units, shall provide at least ninety (90) percent of those parking spaces in a parking structure, podium parking, or tuck-under parking.
 - b. Two hundred one (201) or more parking spaces for the dwelling units, shall provide at least ninety (90) percent of those parking spaces in a parking structure, excluding podium parking and tuck-under parking.
5. The Development Review Board may approve an above-ground parking structure, podium parking and tuck-under parking adjacent to a public street if it finds that such parking conforms to the Downtown Plan and Downtown Plan Urban Design & Architectural Guidelines.

M. *Landscaping.*

1. The provisions of Article X. shall apply.

When Recorded Return to:

City of Scottsdale
Current Planning Services
7447 E. Indian School Rd., Suite 105
Scottsdale, AZ 85251

Agreement No. 20~~16~~19-021-COS

DEVELOPMENT AGREEMENT

This Development Agreement (the "Agreement") is entered into this _____ day of _____, 20~~16~~19, by Stockdale Galleria Land Owner, LLC, a Delaware limited liability company ("Developer"), and the City of Scottsdale, Arizona, an Arizona municipal corporation ("City"), collectively referred to as "the Parties".

RECITALS

A. Arizona Revised Statutes §9-500.05 authorizes the City to enter into a Development Agreement related to real property located inside the incorporated area of the City with a landowner or other person having an interest in the real property.

B. The Property that is the subject of this Agreement consists of approximately 1.979 net acres located at 4419 North Scottsdale Road, 7223 East Shoeman Lane, 7233 East Shoeman Lane, and 7235 East Shoeman Lane, Scottsdale, Arizona (the "Property"). The Property is situated within the incorporated boundaries of the City and is more particularly described on **Exhibit "A"** attached hereto and incorporated herein by reference.

C. The Developer is the owner of the Property described in **Exhibit A**.

D. Developer plans to develop the Property by constructing a 271,900~~204,660~~ +/- square foot commercial building and parking structure ("the Project").

E. Developer desires to utilize available bonus provisions under the Scottsdale Revised City Code, to increase the gross floor area of the Project by 95,018.846~~789~~ square feet and obtain an additional 7230 feet of Building Height by constructing the development in accordance with the City of Scottsdale's ~~Green Building Program and~~ code, constructing certain Special Improvements in the East Shoeman Lane right-of-way, and paying to the City ~~Two Hundred Sixty Eight Thousand Seven Hundred Ninety Five Dollars and forty three cents (\$268,795.43)~~ Two Million Fifty-Four Thousand Three

Hundred Thirty-One Dollars and twenty-four cents (\$2,054,331.24) to be deposited into the City's Downtown Special Improvement Trust Fund to be used by the City for the future construction of Special Improvements that achieve public benefits in the Downtown Area specifically within boundaries of the area depicted by the bold outline on **Exhibit "B"** (the "Future Special and Parking Improvement Area") attached hereto and incorporated herein by reference.

F. In order to complete the Project, the Developer has made Development Applications to the City for a ~~Zoning Ordinance Text Amendment, case number 5-TA-2015; and, a~~ Zoning District Map Amendment, case number 7-ZN-2015#2.

G. The Parties understand that following the conclusion of the required public hearings the Scottsdale City Council may vote to deny or approve the Developer's Development Application requests for the ~~Zoning Ordinance Text Amendment and~~ Zoning District Map Amendment. This Agreement does not require the City Council to vote in any particular way.

H. The Developer will commission and install original artwork on the Property in accordance with the Scottsdale Revised Code.

I. Developer and City acknowledge and agree that development of the Property will benefit the City's residents and the Property.

J. This Agreement is consistent with the portions of the City's General Plan applicable to the Property on the date of this Agreement.

K. The City's governing body has authorized execution of this Agreement by Resolution No. ~~10357~~.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and representations and the mutual covenants and conditions in this Agreement, The Parties agree as follows:

1. Recitals. The recitals set forth above are hereby incorporated into this Agreement by this reference.

2. Effective date. This agreement shall be effective upon execution by the parties.

3. Property Interest of the Developer. Developer warrants that it is the fee title owner of the Property and that the Property is located within the municipal limits of the City.

4. Developers Bonus and Special Improvement Obligations.

4.1 Bonus Development Standards. The Property is zoned ~~Downtown/Downtown Multiple Use Type-3, Planned Block Development, Downtown Overlay (D/DMU-2, PBD, DO)~~ zoning which includes a Development Plan and Bonus Development Standards ~~Central Business Downtown Overlay (C-2 DO) and Highway Commercial Downtown Overlay (C-3 DO).~~ Developer will apply for an amendment to the existing Development Plan and Zoning District Map Amendment to rezone the Property to Downtown/Downtown Multiple Use Type-2, Planned Block Development, Downtown Overlay (D/DMU-2, PBD, DO) zoning that includes existing Bonus Development Standards.

4.2 Bonus Provisions. Developer shall be entitled to utilize available bonus provisions under Scottsdale Revised City Code, Appendix B – Basic Zoning Ordinance, Article VI, - Supplemental Districts, Section 6.1310 to obtain an increase in gross floor area and obtain additional building height inclusive of roof top appurtenances not to exceed the amount approved in Zoning District Map Amendment, case number 7-ZN-2015#2, for the Project, if Developer:

~~4.2.1 Constructs the entire Project in accordance with the City of Scottsdale's Green Building Program and code, which is the International Green Construction Code (IGCC), as amended and adopted by the City of Scottsdale;~~

4.2.24.2.1 Constructs those certain Special Improvements in the East Shoeman Lane right-of-way, described on **Exhibit "C"** (the "East Shoeman Lane Street Improvements"), pursuant to Section 4.3 below; and

4.2.34.2.2 Pays Two Million Fifty-Four Thousand Three Hundred Thirty-One Dollars and twenty-four cents (\$2,054,331.24) ~~Two Hundred Sixty-Eight Thousand Seven Hundred Ninety-Five Dollars and forty-three cents (\$268,795.43)~~ into the City's Downtown Special Improvement Trust Fund (the "In-Lieu Payment for Special Improvements").

4.3 Additional Terms Related to the Special Improvements in the East Shoeman Lane right-of-way.

4.3.1 Developer shall pay for any and all costs and expenses of designing, engineering, permitting, constructing and installing the East Shoeman Lane Street Improvements; such costs and expenses (which shall include, without limitation, costs of labor and materials and professional and consultant fees) shall be a minimum of Four Hundred Sixteen Thousand Two Hundred Seventy Dollars and twenty-five cents (\$416,270.25).

4.3.2 The Developer shall maintain the sidewalks, hardscape, landscape, bicycle racks, pedestrian amenities, and pedestrian lighting improvements constructed in the East Shoeman Lane right-of-way as a condition of obtaining the Special Improvement bonus. The City shall own the East Shoeman Lane Street Improvements after the City has accepted them as complete and final.

4.4 Developer's Additional Terms Related to the In-lieu Payment for Special Improvements.

4.4.1 Prior to the issuance of any permit to construct any vertical improvements, above or below grade, excluding excavation, the Developer shall pay to the City the In-Lieu Payment for Special Improvements. However, the last day the payment can be made without an increase is December 31, ~~2017~~2020, and any unpaid amount after December 31, ~~2017~~2020 is subject to being increased as set forth in Section 4.4.2.

4.4.2 If all or any part of the In-Lieu Payment for Special Improvements has not been paid by December 31, ~~2017~~2020, any unpaid amount shall increase on January 1, ~~2018~~2020, and annually thereafter, by an escalator factor of 3.5% in accordance with the following formula:

$$A = P(1 + 0.035)^{CY-2019(2)17}$$

Where:

A = Dollar amount to be paid

P= Unpaid amount of In-Lieu Payment for Special Improvements

CY = Current year

4.5 City's Additional Terms Related to the use of In-Lieu Payment for Special Improvements.

4.5.1 The City shall deposit the In-Lieu Payment for Special Improvements into the City's Downtown Special Improvement Trust Fund.

4.5.2 The City shall use the In-Lieu Payment for Special Improvements to construct future Special Improvements that serve as a public benefit within the Future Special and Parking Improvement Area.

4.5.3 The City agrees to own and maintain the Special Improvements constructed by the City with the In-Lieu Payment for Special Improvements.

4.6 Failure to Pay. All amounts set forth in paragraphs 4.2.~~23~~ and 4.4.1 of this Agreement shall be paid no later than 12:00 noon on December 31, ~~2018~~2020. If Developer has not made full payment of all amounts, the City shall issue a written notice by regular U.S. Mail to Developer containing a calculation of all outstanding amounts due,

including any increases as a result of escalation. Developer shall pay in full the outstanding amounts to the City by cashier check no later than thirty (30) days from the date of the letter. If payment has not been received by the City in accordance with the demand for payment set forth in the letter, the City will suspend all certificates of occupancy issued for the Project and all operations on the Property shall cease until full payment has been made and the certificates have been reissued.

5. Developer's Removal of Public Parking.

5.1 Payment Amount for the Removal of Public Parking. As part of the development of the Project, Developer may remove and not replace up to eighteen (18) existing public parking spaces in the East Shoeman Lane right-of-way adjacent to the Property (each, a "Removed Space"). Developer shall (i) pay the City twelve thousand nine hundred fifty-eight dollars and thirteen cents (\$12,958.13) per Removed Space as compensation for the City's loss of that public parking space.

5.2 Payment Due. Prior to the issuance to Developer of any permit to construct any improvements that would cause the elimination of any existing public parking spaces in the East Shoeman Lane right-of-way, Developer shall pay to the City the amount specified in Section 5.1. Any payment incurred pursuant to Section 5.1, and payable after January 1, ~~2018~~2020, shall increase in accordance with the fee schedule for in-lieu parking credits, Resolution No. 8153, beginning on January 1, ~~2018~~2020, and the first day of each year thereafter, until paid.

5.3 Parking Improvement Account. The City agrees to deposit the amount paid by the Developer set forth in paragraph 5.1 into a new City account titled the "Downtown Drinkwater Neighborhood Parking Structure Improvements" (the "DDNPSI").

5.4 City's Use of Funds. The City agrees to use the funds deposited into the DDNPSI account to develop a future parking structure within the area as depicted by the bold outline shown on **Exhibit "B"** incorporated herein the "Future Special and Parking Improvement Area".

5.5 Parking Credits. The Developer and the City agree that the Developer will not receive, and the Property will not be assigned, parking space credits for any amount paid by Developer for the removal of public parking spaces in the East Shoeman Lane right-of-way.

6. Supplemental Parking Plan.

6.1 Requirement to provide a Supplemental Parking Plan. If more than ninety-seven percent (97%) of the Office Space Parking is occupied for more than six (6) consecutive hours during three (3) Work Days in a one-month period (sometimes herein called "Full Capacity") (as measured in a Parking Occupancy Assessment, defined below

in section 6.2.1, on the terms and conditions of this Section 6), upon written request from the City Manager, the Developer shall provide a supplemental parking plan to the City Manager within fifteen (15) days of the request for approval. For purposes of this Section 6, (a) "occupied" is defined as a parking space that has a vehicle in it, or is physically obstructed in a manner that prevents a vehicle from being parked in it, or is reserved and is vacant at the time of the parking count, (b) "Work Days" is defined as any day Monday through Friday, the hours from 8:00 A.M. to 5:00 P.M., and, (c) a measurement of Office Space Parking shall be referred to as a "Parking Occupancy Assessment."

6.2 Parking Occupancy Assessments.

6.2.1 The City's rights to conduct Parking Occupancy Assessments shall commence when seventy-five percent (75%) of the total gross leasable area of the Project has been issued a Certificate-of-Occupancy. The City Manager shall notify the Developer in writing when Parking Occupancy Assessments are necessary to be conducted. A Parking Occupancy Assessment shall consist of the initial count of parking spaces and a verification recount within five days of the initial count. The verification recount shall be conducted by the City without additional notice to the Developer.

6.2.2 The Developer shall have the discretion of choosing the method of conducting each Parking Occupancy Assessment between (i) the City, or (ii) by a third party Traffic Engineer registered in the State of Arizona. In the written notice to the Developer in accordance with 6.2.1, the City Manager shall provide a minimum of three (3) third party Traffic Engineers that the developer may approve from to conduct the third party Parking Occupancy Assessments. Within seven (7) days of a written notice in accordance with 6.2.1, the Developer shall respond in writing indicating the chosen method to conduct the Parking Occupancy Assessment, and when applicable, the Developer's choice of the third party Traffic Engineer from the list provide by the City Manager. The Developer shall not withhold its approval of one of the third party Traffic Engineers provided by the City. Within thirty (30) days of the City's delivery to Developer, of a written notice with invoices substantiating charges by the elected Traffic Engineer for a Parking Occupancy Assessments, the Developer shall reimburse the City for all reasonable, out-of-pocket, third-party costs of conducting the Parking Occupancy Assessment.

6.2.3 Upon the City Manager providing the Developer a minimum two (2) Work Days written notice, the Developer shall grant the party conducting the Parking Occupancy Assessment and his/her employee(s) reasonable access to all parking facilities within the Project that include Office Space Parking.

6.2.4 The City Manager shall select the Work Days that the assessment is to be conducted the ("Assessment Days"); provided, however, that the Assessment days may not be consecutive and must be three (3) different days of the week.

6.2.5 If the Parking Occupancy Assessment results give the City the right to request a Supplemental Parking Plan pursuant to Section 6.1, the City shall deliver written notice to Developer permitting Developer thirty (30) days to cure the parking condition prior to the City delivering written notice demanding a Supplemental Parking Plan. On or before the expiration of such thirty (30) day cure period, Developer may request that the City perform another Parking Occupancy Assessment; after which, if the newly performed Parking Occupancy Assessment results in a finding of continued Full Capacity, the City may deliver to Developer written request for a Supplemental Parking Plan.

6.2.6 The City shall not perform more than three (3) Parking Occupancy Assessments in any twelve (12) month period; provided that Parking Occupancy Assessments requested by Developer shall not count toward such maximum.

6.3 Supplemental Parking Plan. The supplemental parking plan shall require the Developer, in its discretion, to either:

6.3.1 secure additional parking spaces for the Project by leasing parking spaces from a public or quasi-public parking facility within nine hundred feet of the Project. If a public or quasi-public parking facility is not available at the time that supplemental parking is required, the City Manager shall allow the Developer to secure additional parking spaces from another property within two thousand six hundred forty (2,640) feet of the Property which shall be through a lease agreement with the property owner of the property that has parking available which is not otherwise required by and accounted for pursuant to the City of Scottsdale's Zoning Ordinance. The additional parking spaces under the supplemental parking plan that are leased by the Developer shall be an amount that decreases the occupied Office Space Parking to less than Full Capacity. If a public or quasi-public parking facility becomes available after the time that supplemental parking is required, any private parking leases in effect at that time shall not be renewed, and subsequent leases if necessary, shall be from the public or quasi-public facility; or

6.3.2 deliver to the City for its review and approval (consent not to be unreasonably withheld), and agree to execute, a parking management plan to reduce parking in the parking structure to less than Full Capacity; the parking management plan may incorporate concepts including, but not limited to (a) free or subsidized employee bus passes, (b) carpool and van pool programs, and/or (c) alternative transit incentives.

6.3.3 After a Supplemental Parking Plan has been agreed upon by City and Developer, Developer may at any time, and from time to time, request that the City perform another Parking Occupancy Assessment. If the re-assessment results find that parking is less than Full Capacity, the Developer may terminate any parking Lease.

6.4 Cost of providing and implementing the Supplemental Parking Plan. Developer shall pay all costs associated with providing and implementing the

Supplemental Parking Plan; provided that, notwithstanding the foregoing, and upon verification by the City Manager, the Developer shall have no obligation to lease parking if the fees, rent and other charges for such spaces exceed fair market rate. If the City Manager verifies, in its reasonable discretion, that the lease parking spaces in the public or quasi-public parking facility exceed fair market rate, the Developer may lease available private parking in accordance with Section 6.2.

6.5 Modifications to the Supplemental Parking Plan. The City Manager may approve modifications to the Supplemental Parking Plan provided that the modifications are designed to keep the parking structure under Full Capacity.

6.6 Term of Supplemental Parking Plan Requirement and Other Terms of Section 6. Notwithstanding anything to the contrary herein (or in any Supplemental Parking Plan), Developer's obligations and the City's rights in this Section 6 (and any Supplemental Parking Plan) shall automatically expire, without need for any further notice, on the earlier of: (a) four (4) years after the date of the first Certificate of Occupancy is issued at the Property for the Office Area (defined below), (b) on the date that a Certificate-of-Occupancy is issued for a parking structure constructed on the City-owned property at or near East Stetson Drive, and in between North Wells Fargo Avenue and North Civic Center Boulevard, with the Maricopa County Assessor's Parcel Numbers of 173-41-115 and 173-41-116A, or (c) Developer constructs a fourth level of parking (which may be underground).

7. Artwork.

7.1 Artwork Requirement. Developer shall commission and install an original artwork on the Property in accordance with Scottsdale Revised Code, Appendix B – Basic Zoning Ordinance, Article VI, - Supplementary Districts, Section 6.1309. – Cultural Improvements Program requirements. And Article VII, - General Provisions, Section 7.1000. – Cultural Improvements Program, through Section 7.1017.

7.2 Artwork Cost Requirement. The minimum cost of the artwork shall be calculated in accordance with Scottsdale Revised Code, Appendix B – Basic Zoning Ordinance, Article VI, - Supplementary Districts, Section 6.1309. – Cultural Improvements Program requirements. And Article VII, - General Provisions, Section 7.1004. – General Provisions.

7.3 Conceptual Art Plan Approval.

7.3.1 The Developer and the City agree that the Developer may defer approval of the Conceptual Art Plan from the Cultural Council and Development Review Board in accordance with the Scottsdale Revised Code, Appendix B – Basic Zoning Ordinance, Article VII, - General Provisions, Section 7.1014. – Deferment of artwork of the Cultural Improvements Program.

7.3.2 The Developer agrees that the approval of the Conceptual Art Plan from the Cultural Council and from the Development Review Board shall be obtained prior to the issuance of any building permit to construct any vertical improvements, above or below grade, excluding excavation, on the Property.

7.4 Artwork Installation and Certificate of Completion.

7.4.1 City and the Developer agree that the Developer may obtain a Temporary Certificate-of-Occupancy, as determined by the City's Building Official, for the parking garage that is connected to the Project prior to the Certificate of Completion for the artwork so that the garage may be utilized during construction of the Project by the Developer's construction contractor and employees that are associated with construction of the Project.

7.4.2 The Developer agrees that the City may revoke any Temporary Certificate-of-Occupancy issued by the City's Building Official for the parking garage that is connected to the Project if the Developer fails to install the artwork prior to obtaining a final site inspection for the Project.

7.4.3 Exclusive of paragraph 7.4.1, Developer agrees to obtain a Certificate of Completion from the Zoning Administrator for the installation of the Artwork prior to the issuance of a Temporary Certificate-of-Occupancy, Final Site Inspection, Certification of Shell Building or Certificate-of-Occupancy for the Project.

7.5 Ownership and Maintenance of Artwork. The current Property owner(s) and its successors and assigns shall own and maintain the Artwork in accordance with the Scottsdale Revised Code, Appendix B – Basic Zoning Ordinance.

8. Project Parking Space Distribution. Developer shall provide a minimum of nine hundred ~~six seventy~~ (90670) parking spaces (the "Total Parking Spaces") at the Property. ~~Eight hundred thirty-eight~~ ~~Nine hundred twenty~~ (838920) parking spaces (the "Office Space Parking") of the Total Parking Spaces provided shall be provided for the office area (the "Office Area") (approximately ~~250,900~~ ~~191,023~~ square feet) of the Project, and ~~fiftysixty-eight~~ (6850) parking spaces ("Retail Parking Spaces") of the Total Parking Spaces shall be provided for the retail area (approximately ~~20,000~~ ~~13,637~~ square feet) of the Project.

a. Retail Parking Spaces. The Retail Parking Spaces:

- a) Shall be located on the grade level of the parking garage, and only those Retail Parking Spaces that do not fit on grade level of parking garage may be located on 1st level above grade and on vehicle ramp from the grade level 1st level above grade of the parking garage;

- b) shall be nearest to the East Shoeman Lane vehicle entrance/exit;
- c) shall not be restricted by gate access or other restrictive measure, except for the maximum amount of time that a vehicle may occupy the parking space;
- d) shall not, for the purpose of counting Retail Parking Spaces, include more than 2 accessible parking spaces; and
- e) shall include, for each Removed Space, one Retail Parking Space that has a maximum 3-hour time parking limit.

b. Modification to the Distribution of Parking Spaces. The City Manager or designee may approve alternative distribution of the parking spaces for the retail and office areas, provided that a minimum of one (1) parking space is provided for each two hundred fifty (250) square feet of retail gross floor area.

9. Compliance with all Laws. Developer shall develop the Property in compliance with all Federal, State, County and local laws, ordinances, rules, regulations, permit requirements, or any other policies of the City.

10. General Provisions.

10.1 Notices. All notices, filings, consents, approvals, and other communications provided for herein or given in connection herewith ("notices") shall be validly given, filed, made, delivered, or served if in writing and delivered personally or sent by registered or certified United States Postal Service mail, return receipt requested, postage prepaid to:

If to the City: The City of Scottsdale
 Attention: City Attorney
 3939 North Drinkwater Boulevard
 Scottsdale, Arizona 85251

Copy to: City of Scottsdale
 Attention: Zoning Administrator
 Planning and Development Services
 Department
 7447 E. Indian School Rd., Suite 105
 Scottsdale, AZ 85251

City of Scottsdale
 Attention: City Manager
 3939 North Drinkwater Boulevard

Scottsdale, AZ 85251

If to Developer: Stockdale Galleria Land Owner, LLC
Attention: Shahrod Yari
4343 N. Scottsdale Rd., Suite 180
Scottsdale, AZ 85251

Copy to: Withey Morris, PLC
Attention: Jason Morris
2525 East Arizona Biltmore Circle, Suite A-212
Phoenix, AZ 85016

10.2 Mailing Effective. Notices given by registered or certified mail shall be deemed delivered 72 hours following deposit in the U.S. Postal Service in the manner set forth above.

10.3 Approvals. When a party's consent is required pursuant to this agreement, the consenting party shall not unreasonably withhold, delay or condition its approval.

10.4 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof and no waiver by the parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or of any other provision of this Agreement

10.5 Headings. The descriptive headings of the paragraphs of the Agreement are inserted for convenience only, and shall not control or affect the meaning or construction of any of the provisions of the Agreement.

10.6 Authority. The parties to this Agreement represent to each other that they have full power and authority to enter into this Agreement, and that all necessary actions have been taken to give full force and effect to this Agreement.

10.7 Entire Agreement. The Agreement, including exhibits, constitutes the entire Agreement between the parties.

10.8 Severability. If any provision of this Agreement limiting the uses of the Property is declared void or unenforceable, then the entire Agreement shall be void. If any other provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect, provided that the fundamental purposes of this Agreement are not defeated by such severability.

10.9 Governing Law. The laws of the State of Arizona shall govern the

interpretation and enforcement of this Agreement. The Parties agree that venue for any action commenced in connection with this Agreement shall be proper only in a court of competent jurisdiction located in Maricopa County, Arizona, and the Parties hereby waive any right to object to such venue.

10.10 Recordation. This Agreement, and any amendment or cancellation of this Agreement, shall be recorded, in its entirety, in the official records the county recorder's office in Maricopa County, Arizona, no later than ten (10) days after the effective date of this Agreement, amendment, or cancellation, as required by A.R.S. § 9-500.05.

10.11 Remedies. If any party to this Agreement breaches any provision of the Agreement, the non-defaulting party shall be entitled to all remedies available at both law and in equity, including specific performance.

10.12 Attorneys' Fees and Costs. If any party brings a legal action either because of a breach of the Agreement or to enforce a provision of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and court costs.

10.13 Binding Effect. The benefits and burdens of this Agreement shall run with the Property and be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors in interest, and assigns. This Agreement shall be incorporated by reference in any instrument purporting to convey an interest in the Property.

10.14 Third Parties. There are no third party beneficiaries to this Agreement, and no person or entity not a party hereto shall have any right or cause of action hereunder.

10.15 No Agency Created. Nothing contained in this Agreement shall create any partnership, joint venture, or agency relationship between the parties.

10.16 Contract Administrator. The City's contract administrator for this Agreement shall be City Manager, for the City of Scottsdale, or designee.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the day and year first above written.

THE CITY OF SCOTTSDALE:
an Arizona municipal corporation

ATTEST:

By: _____
Carolyn Jagger, City Clerk

By: _____
W. J. "Jim" Lane, Mayor

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By: _____
Bruce Washburn, City Attorney
By: Joe Padilla, Deputy City Attorney

STATE OF ARIZONA)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this _____ day of _____, ~~2016~~2019, by W. J. "Jim" Lane, Mayor of the City of Scottsdale, Arizona, a municipal corporation.

Notary Public

My Commission Expires:

DEVELOPER:

Stockdale Galleria Land Owner, LLC, a Delaware Limited Liability Company

By: _____

Shahrod Yari

Its: Managing Partner

STATE OF _____)

) ss.

County of _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 201~~6~~19, by Shahrod Yari, Managing Partner of Stockdale Galleria Land Owner, LLC, a Delaware Limited Liability Corporation.

Notary Public

My Commission Expires:

Exhibit A
The Property

[see attached]



First American

Commitment

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

File No: NCS-720240-LA2

COMMITMENT FOR TITLE INSURANCE

Issued By

FIRST AMERICAN TITLE INSURANCE COMPANY

NOTICE

IMPORTANT-READ CAREFULLY: THIS COMMITMENT IS AN OFFER TO ISSUE ONE OR MORE TITLE INSURANCE POLICIES. ALL CLAIMS OR REMEDIES SOUGHT AGAINST THE COMPANY INVOLVING THE CONTENT OF THIS COMMITMENT OR THE POLICY MUST BE BASED SOLELY IN CONTRACT.

THIS COMMITMENT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACONTRACTUAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

THE COMPANY'S OBLIGATION UNDER THIS COMMITMENT IS TO ISSUE A POLICY TO A PROPOSED INSURED IDENTIFIED IN SCHEDULE A IN ACCORDANCE WITH THE TERMS AND PROVISIONS OF THIS COMMITMENT. THE COMPANY HAS NO LIABILITY OR OBLIGATION INVOLVING THE CONTENT OF THIS COMMITMENT TO ANY OTHER PERSON.

COMMITMENT TO ISSUE POLICY

Subject to the Notice; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and the Commitment Conditions, ***First American Title Insurance Company***, a Nebraska Corporation (the "Company"), commits to issue the Policy according to the terms and provisions of this Commitment. This Commitment is effective as of the Commitment Date shown in Schedule A for each Policy described in Schedule A, only when the Company has entered in Schedule A both the specified dollar amount as the Proposed Policy Amount and the name of the Proposed Insured.

If all of the Schedule B, Part I-Requirements have not been met within six months after the Commitment Date, this Commitment terminates and the Company's liability and obligation end.

First American Title Insurance Company

Dennis J. Gilmore
President

Jeffrey S. Robinson
Secretary

If this jacket was created electronically, it constitutes an original document.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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COMMITMENT CONDITIONS

1. DEFINITIONS

- (a) "Knowledge" or "Known": Actual or imputed knowledge, but not constructive notice imparted by the Public Records.
- (b) "Land": The land described in Schedule A and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is to be insured by the Policy.
- (c) "Mortgage": A mortgage, deed of trust, or other security instrument, including one evidenced by electronic means authorized by law.
- (d) "Policy": Each contract of title insurance, in a form adopted by the American Land Title Association, issued or to be issued by the Company pursuant to this Commitment.
- (e) "Proposed Insured": Each person identified in Schedule A as the Proposed Insured of each Policy to be issued pursuant to this Commitment.
- (f) "Proposed Policy Amount": Each dollar amount specified in Schedule A as the Proposed Policy Amount of each Policy to be issued pursuant to this Commitment.
- (g) "Public Records": Records established under state statutes at the Commitment Date for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge.
- (h) "Title": The estate or interest described in Schedule A.

2. If all of the Schedule B, Part I—Requirements have not been met within the time period specified in the Commitment to Issue Policy, this Commitment terminates and the Company's liability and obligation end.

3. The Company's liability and obligation is limited by and this Commitment is not valid without:

- (a) the Notice;
- (b) the Commitment to Issue Policy;
- (c) the Commitment Conditions;
- (d) Schedule A;
- (e) Schedule B, Part I—Requirements;
- (f) Schedule B, Part II—Exceptions; and
- (g) a counter-signature by the Company or its issuing agent that may be in electronic form.

4. COMPANY'S RIGHT TO AMEND

The Company may amend this Commitment at any time. If the Company amends this Commitment to add a defect, lien, encumbrance, adverse claim, or other matter recorded in the Public Records prior to the Commitment Date, any liability of the Company is limited by Commitment Condition 5. The Company shall not be liable for any other amendment to this Commitment.

5. LIMITATIONS OF LIABILITY

- (a) The Company's liability under Commitment Condition 4 is limited to the Proposed Insured's actual expense incurred in the interval between the Company's delivery to the Proposed Insured of the Commitment and the delivery of the amended Commitment, resulting from the Proposed Insured's good faith reliance to:
 - (i) comply with the Schedule B, Part I—Requirements;
 - (ii) eliminate, with the Company's written consent, any Schedule B, Part II—Exceptions; or
 - (iii) acquire the Title or create the Mortgage covered by this Commitment.
- (b) The Company shall not be liable under Commitment Condition 5(a) if the Proposed Insured requested the amendment or had Knowledge of the matter and did not notify the Company about it in writing.
- (c) The Company will only have liability under Commitment Condition 4 if the Proposed Insured would not have incurred the expense had the Commitment included the added matter when the Commitment was first delivered to the Proposed Insured.
- (d) The Company's liability shall not exceed the lesser of the Proposed Insured's actual expense incurred in good faith and described in Commitment Conditions 5(a)(i) through 5(a)(iii) or the Proposed Policy Amount.
- (e) The Company shall not be liable for the content of the Transaction Identification Data, if any.
- (f) In no event shall the Company be obligated to issue the Policy referred to in this Commitment unless all of the Schedule B, Part I—Requirements have been met to the satisfaction of the Company.
- (g) In any event, the Company's liability is limited by the terms and provisions of the Policy.

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6. LIABILITY OF THE COMPANY MUST BE BASED ON THIS COMMITMENT

- (a) Only a Proposed Insured identified in Schedule A, and no other person, may make a claim under this Commitment.
- (b) Any claim must be based in contract and must be restricted solely to the terms and provisions of this Commitment.
- (c) Until the Policy is issued, this Commitment, as last revised, is the exclusive and entire agreement between the parties with respect to the subject matter of this Commitment and supersedes all prior commitment negotiations, representations, and proposals of any kind, whether written or oral, express or implied, relating to the subject matter of this Commitment.
- (d) The deletion or modification of any Schedule B, Part II—Exception does not constitute an agreement or obligation to provide coverage beyond the terms and provisions of this Commitment or the Policy.
- (e) Any amendment or endorsement to this Commitment must be in writing and authenticated by a person authorized by the Company.
- (f) When the Policy is issued, all liability and obligation under this Commitment will end and the Company's only liability will be under the Policy.

7. IF THIS COMMITMENT HAS BEEN ISSUED BY AN ISSUING AGENT

The issuing agent is the Company's agent only for the limited purpose of issuing title insurance commitments and policies. The issuing agent is not the Company's agent for the purpose of providing closing or settlement services.

8. PRO-FORMA POLICY

The Company may provide, at the request of a Proposed Insured, a pro-forma policy illustrating the coverage that the Company may provide. A pro-forma policy neither reflects the status of Title at the time that the pro-forma policy is delivered to a Proposed Insured, nor is it a commitment to insure.

9. ARBITRATION

The Policy contains an arbitration clause. All arbitrable matters when the Proposed Policy Amount is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Proposed Insured as the exclusive remedy of the parties. A Proposed Insured may review a copy of the arbitration rules at <http://www.alta.org/arbitration>.

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Form 5030002 (5-9-17)	Page 3 of 13	ALTA Commitment for Title Insurance (8-1-16) Arizona
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First American

Schedule A

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

File No: NCS-720240-LA2

Transaction Identification Data for reference only:

Issuing Agent: First American Title Insurance Company National Commercial Services

Commitment No.: NCS-720240-LA2

Property Address: APN 173-41-007 A; 173-41-011, 173-41-010 ; 173-41-012A, AZ

Issuing Office: 777 South Figueroa Street, Suite 400, Los Angeles, CA 90017

Issuing Office File No.: NCS-720240-LA2

Escrow Officer: Name:

Email:

Phone: (213)271-1700

Revision No.: 1

Title Officer: Name: Liz Thymius

Email:

Phone: (213)271-1700

SCHEDULE A

1. Commitment Date: February 15, 2019, at 8:00 AM
2. Policy to be issued:

- (a) ☒ ALTA® 2006 Standard Owner's Policy

Proposed Insured: The City of Scottsdale

Proposed Policy Amount: \$15,000,000.00

- (b) ☒ ALTA® 2006 Extended Lender's Policy

Proposed Insured: To Be Determined

Proposed Policy Amount: \$0.00

- (c) ☐ ALTA® Policy

Proposed Insured:

Proposed Policy Amount: \$

3. The estate or interest in the Land described or referred to in this Commitment is

Fee Simple

4. Title to the Fee Simple estate or interest in the Land is at the Commitment Date vested in:

Stockdale Galleria Land Owner, LLC, a Delaware limited liability company

5. The proposed Insured Mortgage of assignment thereof, if any, described as follows:

SEE EXHIBIT "1" ATTACHED HEREIN

6. The Land is described as follows:

See Exhibit "A" attached hereto and made a part hereof

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EXHIBIT "1"

- (a) A Deed of Trust given to secure an indebtedness in the original principal amount of \$0.00, dated _____, recorded _____ as _____ of Official Records.

Trustor: The City of Scottsdale

Trustee: _____

Beneficiary: To Be Determined

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Form 5030002 (5-9-17)	Page 5 of 13	ALTA Commitment for Title Insurance (8-1-16) Arizona
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First American

Schedule BI & BII

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

File No: NCS-720240-LA2

Commitment No.: NCS-720240-LA2

SCHEDULE B, PART I

Requirements

All of the following Requirements must be met:

1. The Proposed Insured must notify the Company in writing of the name of any party not referred to in this Commitment who will obtain an interest in the Land or who will make a loan on the Land. The Company may then make additional Requirements or Exceptions.
2. Pay the agreed amount for the estate or interest to be insured.
3. Pay the premiums, fees, and charges for the Policy to the Company.
4. Documents satisfactory to the Company that convey the Title or create the Mortgage to be insured, or both, must be properly authorized, executed, delivered, and recorded in the Public Records.
5. Compliance with A.R.S. 11-480 relative to all documents to be recorded in connection herewith. See note at end of this section for details.

NOTE: In connection with Arizona Revised Statutes 11-480, as of January 1, 1991, the County Recorder may not accept documents for recording that do not comply with the following:

- a. Print must be ten-point type or larger.
- b. A margin of two inches at the top of the first page for recording and return address information and margins of one-half inch along other borders of every page.
- c. Each instrument shall be no larger than 8-1/2 inches in width and 14 inches in length.

NOTE: In the event any Affidavit required pursuant to A.R.S. 33-422 relating to unsubdivided land in an unincorporated area of a country has been, or will be, recorded pertaining to the Land, such as Affidavit is not reflected in this Commitment nor will it be shown in any policy to be issued in connection with this Commitment.

6. Pay second half of 2018 taxes.

NOTE: Taxes are assessed in the total amount of \$14,386.02 for the year 2018 under Assessor's Parcel No. 173-41-007A 1.

(Affects Lot 6 of Parcel No. 1)

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NOTE: Taxes are assessed in the total amount of \$7,002.98 for the year 2018 under Assessor's Parcel No. 173-41-010 8.

(Affects portion of Lot 7 of Parcel No. 1)

NOTE: Taxes are assessed in the total amount of \$4,327.10 for the year 2018 under Assessor's Parcel No. 173-41-011 5.

(Affects portion of Lot 7 of Parcel No. 1)

NOTE: Taxes are assessed in the total amount of \$39,592.88 for the year 2018 under Assessor's Parcel No. 173-41-264 0.

(Affects Parcel No. 2)

7. Record full release and reconveyance of a Deed of Trust securing an original indebtedness in the amount of \$6,500,000.00, recorded July 15, 2016 as 2016-0500725 of Official Records.
- Dated: July 12, 2016
- Trustor: Stockdale Galleria Land Owner, LLC, a Delaware limited liability company
- Trustee: First Santa Clara Corporation, a California corporation
- Beneficiary: Bank of the West, a California banking corporation

A document recorded December 17, 2018 as 2018-0922708 of Official Records provides that the Deed of Trust or the obligation secured thereby has been modified.

(Affects all parcels)

8. Furnish copies of any existing leases affecting the within described property and insertion of said leases in Schedule B of the Policy of Title Insurance.
9. Furnish any amendments to the Articles of Organization or other pertinent formation documents duly processed by the regulatory body of Delaware, any amendments to the Operating Agreement of any changes in membership subsequent to July 12, 2016 relating to Stockdale Galleria Land Owner, LLC, a limited liability company.
10. Approval by all parties to this transaction of the description used herein.

(Affects Parcel No. 2)

11. Record Warranty Deed from Stockdale Galleria Land Owner, LLC, a Delaware limited liability company to Buyer(s).

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12. Record Deed of Trust shown as Item 5, Schedule A.

NOTE: If FIRST AMERICAN TITLE is named as Trustee in the Deed of Trust, the correct name and address is:

FIRST AMERICAN TITLE INSURANCE COMPANY, a Nebraska corporation
P.O. Box 2922
Phoenix, AZ 85062

13. Such further requirements as may be necessary after completion of the above.
14. Return to title department for final recheck before recording.

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First American

Schedule BI & BII (Cont.)

ALTA Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

File No: NCS-720240-LA2

Commitment No.: NCS-720240-LA2

SCHEDULE B, PART II

Exceptions

THIS COMMITMENT DOES NOT REPUBLISH ANY COVENANT, CONDITION, RESTRICTION, OR LIMITATION CONTAINED IN ANY DOCUMENT REFERRED TO IN THIS COMMITMENT TO THE EXTENT THAT THE SPECIFIC COVENANT, CONDITION, RESTRICTION, OR LIMITATION VIOLATES STATE OR FEDERAL LAW BASED ON RACE, COLOR, RELIGION, SEX, SEXUAL ORIENTATION, GENDER IDENTITY, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN.

The Policy will not insure against loss or damage resulting from the terms and provisions of any lease or easement identified in Schedule A, and will include the following Exceptions unless cleared to the satisfaction of the Company:

1. Any defect, lien, encumbrance, adverse claim, or other matter that appears for the first time in the Public Records or is created, attaches, or is disclosed between the Commitment Date and the date on which all of the Schedule B, Part I-Requirements are met.
2. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
3. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession thereof.
4. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.
6. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
7. Any lien or right to a lien for services, labor or material not shown by the Public Records.

Exceptions above will be eliminated from any A.L.T.A. Extended Coverage Policy, A.L.T.A. Homeowner's Policy, A.L.T.A. Expanded Coverage Residential Loan Policy and any short form versions thereof. However, the same or similar exception may be made in Schedule B of those policies in conformity with Schedule B, Part Two of this Commitment.

This page is only a part of a 2016 ALTA® Commitment for Title Insurance issued by First American Title Insurance Company. This Commitment is not valid without the Notice; the Commitment to Issue Policy; the Commitment Conditions; Schedule A; Schedule B, Part I-Requirements; Schedule B, Part II-Exceptions; and a counter-signature by the Company or its issuing agent that may be in electronic form.

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1. This item has been intentionally deleted.
2. Taxes for the full year of 2019.
(The first half is due October 1, 2019 and is delinquent November 1, 2019. The second half is due March 1, 2020 and is delinquent May 1, 2020 .)
3. The liabilities and obligations imposed upon said land by reason of: (a) inclusion thereof within the boundaries of the Salt River Project Agricultural Improvement and Power District; (b) membership of the owner thereof in the Salt River Valley Water Users' Association, an Arizona corporation and (c) the terms of any Water Right Application made under the reclamation laws of the United States for the purpose of obtaining water rights for said land. (All assessments due and payable are paid.)
4. Reservations or Exceptions in Patents, or in Acts authorizing the issuance thereof.
5. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Shoeman Tract, as recorded in Plat Book 42 of Maps, Page(s) 31, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects all parcels)
6. An easement for highway purposes and incidental purposes in the document recorded as Docket 4372, Page 536.

(Affects Parcel No. 2)
7. An easement for highway purposes and incidental purposes in the document recorded as Docket 4372, Page 554.

(Affects Parcel No. 2)
8. An easement for road or highway, public utility lines and balconies and incidental purposes in the document recorded as Docket 4458, Page 271.

(Affects Parcel No. 1)
9. An easement for highway purposes and incidental purposes in the document recorded as Docket 4558, Page 220.

(Affects Parcel No. 2)
10. An easement for access and utilities and incidental purposes in the document recorded as Docket 7868, Page 646.

(Affects Parcel No. 2)
11. An easement for electric lines and incidental purposes in the document recorded as 89-389149 of Official Records.

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(Affects Parcel No. 1)

12. Covenants, Conditions and Restrictions as set forth in document recorded in 2000-0513271 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

Thereafter, Amended in document recorded February 23, 2001 as 2001-0134409 of Official Records.

(Affects Parcel No. 2)

13. All matters as set forth in Easement Agreement, recorded July 05, 2000 as 2000-0513273 of Official Records.

Thereafter, Amended and Restated in document recorded August 18, 2006 as 2006-1103068 of Official Records.

(Affects Parcel No. 2)

14. All matters as set forth in Easement and Covenant to Provide Public Parking, recorded February 23, 2001 as 2001-0134411 of Official Records.

Restated in document recorded July 30, 2012 as 2012-0671151 of Official Records.

(Affects Parcel No. 2)

15. All matters as set forth in Easement Agreement, recorded March 06, 2006 as 2006-0301864 of Official Records.

Thereafter, Amended and Restated in document recorded August 18, 2006 as 2006-1103068 of Official Records.

(Affects Parcel No. 2)

16. Restrictions, dedications, conditions, reservations, easements and other matters shown on the plat of Galleria Corporate Centre, as recorded in Plat Book 1249 of Maps, Page(s) 29, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c).

(Affects Parcel No. 2)

17. An easement for public pedestrian and motorized access and incidental purposes in the document recorded as 2015-0436711 of Official Records.

(Affects Parcel No. 2)

18. The terms and provisions contained in the document entitled "Development Agreement" recorded May 13, 2016 as 2016-0329552 of Official Records.

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(Affects all parcels)

19. The terms and provisions contained in the document entitled "Agreement for the Waiver of Claims for Diminution in Value of Property" recorded May 13, 2016 as 2016-0327953 of Official Records.

(Affects all parcels)

20. The effect of a map purporting to show the land and other property, filed in Book 1335, Page 45 of Record of Surveys.

(Affects all parcels)

21. The rights of parties in possession by reason of any unrecorded lease or leases or month to month tenancies affecting any portion of the within described property.

NOTE: This matter will be more fully set forth or deleted upon compliance with the applicable requirement(s) set forth herein.

22. Water rights, claims or title to water, whether or not shown by the public records.

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 <p>First American</p> <p>Exhibit A</p>	<p>ISSUED BY First American Title Insurance Company</p> <p>File No: NCS-720240-LA2</p>
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File No.: NCS-720240-LA2

The Land referred to herein below is situated in the County of Maricopa, State of Arizona, and is described as follows:

PARCEL NO. 1:

LOTS 6 AND 7, SHOEMAN TRACT, ACCORDING TO BOOK 42 OF MAPS, PAGE 31, RECORDS OF MARICOPA COUNTY, ARIZONA.

PARCEL NO. 2:

LOT 1, GALLERIA CORPORATE CENTRE, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, IN BOOK 1249 OF MAPS, PAGE 29.